

MONTHLY REPORT September 2019

JB
HIGH ALPHA
FUND

Fund Details

Name	JB High Alpha Fund
Entity	Open-ended Investment Unit Trust
Domicile	Australia
Portfolio Manager	Stuart McAuliffe
Investment Manager	John Bridgeman Limited
Broking & Clearing	JB Markets Pty Ltd/ Macquarie Bank
Trustee	JB Markets Pty Ltd
Fund Inception Date	14 February 2017
Minimum Investment Amount	\$50,000
Investor type	Wholesale clients only
Units	All units will rank equally with each other
Currency	Reported in Australian Dollars
Management Fee	2.0% of net AUM
Performance Fee	23.0% of the increase in Fund's net asset value (NAV)
High water mark	Yes
Distributions	Nil
Liquidity	Weekly
APIR code	JBM2867AU

Investment Manager

The JB High Alpha Fund has appointed John Bridgeman Limited to manage the Portfolio in accordance with the terms and conditions of the Management Services Agreement. The Manager and its investment team have considerable experience in investment management across different geographies, sectors and industries. The Manager operates a specialist investment management business and is listed on the National Stock Exchange of Australia under the ticker "JBL".

Portfolio Manager

Stuart McAuliffe, Managing Director and Chief Investment Officer of John Bridgeman Limited, has primary responsibility for the investment decisions of the Investment Manager. He is supported by a team of investment professionals who have skills and expertise across Australian and global markets.

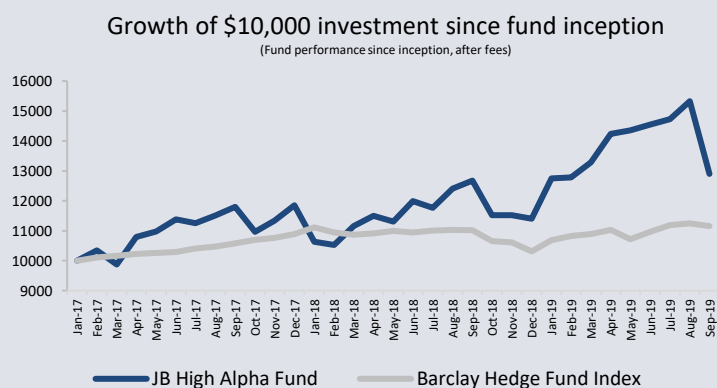
Stuart has over 25 years' experience investing in global equity, bond, currency and commodity markets. He has pioneered innovative research into the correlation and causation between different global equity and currency markets over short, medium and long term time periods. As the senior executive responsible for investments, he uses a 'layered' approach combining multiple time frame fundamental analysis with short term technical trading patterns to maximise returns while managing risk.

Performance as at 30 September 2019

	Fund	Barclay Hedge Fund Index	Outperformance
1 Month	-13.42%	0.34%	-13.76%
3 Months	-9.52%	-0.14%	-9.38%
6 Months	-2.39%	1.40%	-3.79%
1 Year	12.65%	0.44%	12.21%
Since inception (Feb 19)	28.11%	11.52%	16.59%

Past trading performance is not a reliable indicator of future performance. Returns displayed are net of fees. Fees and other costs are exclusive of GST unless otherwise stated.

Performance Chart



MONTHLY REPORT

September 2019 Factsheet

Market Update

Global stocks markets experienced a positive shift in momentum for the month of September however mixed geopolitical developments did influence investor sentiment.

Improvements in the outlook for U.S.– China trade talks supported risk markets and the \$US strengthened. In contrast political uncertainty rose as U.S. House Speaker Nancy Pelosi launched a formal impeachment inquiry against Trump re the Ukrainian president\ Joe Biden investigation. Even under such scrutiny U.S. equities managed to appreciate 1.9% following trade talks, while the Fed announced a widely expected second rate cut amid mixed economic data.

European equities increased 3.8%, driven by improving outlooks for trade, Brexit, and a new round of stimulus measures from the European Central Bank. Tensions in the Middle East also flared after attacks on two large Saudi oil facilities, temporarily halting nearly 5% of global crude oil output, which had an initial market spike of nearly 15% to \$69 a barrel.

Japanese equities performed well , up 5.7% in conjunction with global markets and a decline in the yen. Emerging market equities rose 2% over the month, also supported by the improvement in U.S.– China trade sentiment and easing from the ECB and the Fed.

Despite positive economic indications in Australia, the front bank bill strip did rally on the expectations of further rate cuts by the RBA. The economy posted its first surplus in the current accounts in 44 years (\$5.9 billion) and it was driven by strong export volumes, firm commodity prices, and soft import levels. These positive signs were also present in the housing market, with both house prices and home lending recovering from lows. Despite these positive signs, business and consumer confidence surveys disappointed in the face of federal government tax cuts and house price stabilization.

Unemployment also rose over the month to 5.3%, which added to market pessimism, however the market remained positive with the All Ord's breaking thru the 50 DMA @ 6640 and ending the month just shy of 6800 equating to a 2.5% move for the month.

Investment Manager Outlook Statement

Stuart McAuliffe, *Portfolio Manager*.

Stocks have been supported by lower interest rates, but from here it gets more interesting. The bullish view on equities will continue if rates bottom and economic growth bounces. If growth deteriorates, lower rates won't save stocks.

The US Dollar may finally top out soon, sending other major currencies higher and driving commodity prices and emerging markets.

Fund Statistics

Annualised return	9.73%
Annualised volatility	0.17774
Sharpe ratio (risk free rate is AUD 3 month BB rate)	0.168974
Sortino ratio	0.235101
Positive Months (%)	68%

Fund Objective

The Fund's objective is to provide investors with moderate to high portfolio appreciation over the medium to long-term through active management of the investment assets. The Fund will invest in a range of financial products that focus on Global Macroeconomics and, in holding both long and short positions, will seek absolute returns regardless of market direction. The Fund will predominantly invest and trade in global futures markets worldwide, across categories such as share indices, interest rates, currencies and commodities. The Fund may also invest in listed equities and can hold relatively large cash exposures.

Fund Strategy

The strategy aims to identify medium and long-term trends and trend shifts, but to also vary position size given short-term technical indicators including sentiment and momentum. The strategy targets positive results over 12 month rolling periods. The Investment Manager's advantage lies in correct assessment of broad valuation measures, macroeconomic environment, sentiment and economic forecasting.

For more information, please speak to your financial advisor or contact us.

Level 9, Riverside Centre
123 Eagle Street, Brisbane, QLD, 4000
Phone: 1300 108 495
Email: peter.aardoom@jbmarkets.com
Web: www.jbmarkets.com

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